

GOVERNOR JENNIFER M. GRANHOLM

Friday, February 2, 2007

Hello, this is Governor Jennifer Granholm.

In early January, Governors Bill Milliken and Jim Blanchard agreed to lead a bipartisan Emergency Financial Advisory Panel charged with taking a tough and unbiased look at the state's financial crisis.

Since the panel first convened, the severity of the crisis has become even more clear. Earlier this month, economists estimated that in this fiscal year and the one that begins in October, the state is facing a nearly \$3 billion budget shortfall.

With Michigan's economy still struggling, after cutting more from state spending than any governor before me and with more and more people turning to the state for services like health care and help for their families, it's clear that Michigan must take a critical look at how we put our state on stable fiscal ground and then how we truly reinvent our state into a new economic powerhouse.

This week, the panel released its report. The findings are alarming, but not surprising. The report says that our state's finances are in a perilous position – we're facing immense structural challenges – not just another cyclical downturn. In essence, our economy is changing in ways it never has before – our manufacturing bedrock is shrinking and the global marketplace is demanding new skills.

It also says that after years and years of cutting the state's budget, the only places left to cut to resolve this crisis are in the areas that are most important to Michigan's people and to our future: health care, public safety, and education.

So, the report says, we have to come together right now to ensure Michigan's people have what they need to be truly successful in the future.

Right now, my administration is driving the most aggressive economic plan in the country. In addition to going anywhere and doing anything to create jobs in this state, our plan builds on our automotive heritage by diversifying the economy, it provides affordable college and training, it ensures affordable health care and provides high expectations for our schools.

The panel underscores that no one solution will be enough – the crisis is too severe, and too much is at stake. They lay out their road map for moving Michigan forward and next week in my State of the State, I'll lay out mine.

There's little question though that this fiscal crisis we are facing will impact every last one of us. Students, workers, business owners, retirees, investors – all of us – can suffer or prosper depending on the decisions we make in the weeks and months ahead.

On this I think we can all agree: we must focus together on those things that grow our economy and create jobs so that Michigan is the best place to live, learn, and earn – and a good life is possible for all our citizens.

Thank you for listening.